

# Government Pension Offset



Affects spousal or widow(er) Social Security benefits for those receiving a government (TRS) pension for work in which employee did not pay into Social Security

A person may apply for a spousal or widower benefit based on their spouse's Social Security earnings. Spousal benefits usually range from 37 to 50 percent of spouse's annuity, and widow(er) benefit usually ranges from 71 to 100 percent of the deceased's annuity.

In dual-income households in which both spouses receive a Social Security pension from work covered by Social Security, spousal or widow(er) benefits are offset by the entire amount of the dependant spouse's Social Security pension benefit

Under the Government Pension Offset, spousal or widow(er) Social Security benefits will be offset by 2/3 the amount of the TRS pension benefit.

$$\begin{aligned} \text{Spousal Benefit} - \frac{2}{3} \text{ TRS pension benefit} &= \text{adjusted spousal benefit} * \\ \$700.00 - \frac{[2(\$1,480.00)]}{3} &= \text{adjusted spousal benefit} \\ \$700.00 - \$986.66 &= \$-286.66 \end{aligned}$$

If adjusted amount is negative, no spousal benefit will be received.

Any person whose pension is based on work in which he or she was paying into Social Security on the last day of employment is exempt from the Government Pension Offset rule. Educators who participate in the DROP program are subject to certain restrictions

\*Formula figured using average TRS benefit and average Social Security spousal benefit.